

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2013-7-G

| | | |
|--|---|---|
| In the Matter Of |) | |
| |) | |
| Application of Piedmont Natural Gas Company, Inc. to Have the Terms of the Natural Gas Rate Stabilization Act Apply to the Company's Rates and Charges for Gas Distribution Services |) | <u>NOTICE OF FILING OF QUARTERLY MONITORING REPORT AND PROPOSED RATE CHANGES</u> |

Piedmont Natural Gas Company, Inc. ("Piedmont"), through counsel and pursuant to Sections 58-5-430 and 58-5-440 of the South Carolina Natural Gas Rate Stabilization Act ("Act"), hereby submits (1) its quarterly monitoring report for the twelve-month period ending March 31, 2013, and (2) the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1). Piedmont requests that the Public Service Commission of South Carolina ("Commission") review and accept the attached documents consistent with Sections 58-5-430 and 58-5-440 of the Act and issue an initial order approving the proposed rate changes set forth in this filing on or before October 15, 2013 in conformance with the procedures set forth in Section 58-5-455 of the Act.

In support of this filing, Piedmont respectfully shows unto the Commission as follows:

1. Any notices or other communications with respect to this matter should be sent to:

Jane Lewis-Raymond
Sr. Vice President and General Counsel
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
Telephone: (704) 731-4261

And

Scott M. Tyler
James H. Jeffries IV
Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-2463

2. On April 25, 2005, Piedmont provided notice to the Commission of its election of the application of the terms of the Act to Piedmont's rates and charges for gas distribution services provided within the state of South Carolina. In conjunction with its election and as required by Sections 58-5-410 and 58-5-420, Piedmont requested that the Commission make findings and establish ongoing procedures as required to make prospective adjustments to Piedmont's base rates utilizing the rates, charges, revenues, expenses, capital structure, returns, and other matters established in Piedmont's most recent general rate proceeding in Docket No. 2002-63-G.

3. Consistent with its prior election for application of the Act to its rates and charges, and pursuant to the requirements of Section 58-5-430 of the Act, Piedmont has attached hereto various schedules constituting its quarterly monitoring report to the Commission for the twelve-month period ended March 31, 2013. In conformance with the requirements of Section 58-5-440 of the Act, Piedmont has also included in the schedules attached hereto the calculated revenue deficiency resulting from Piedmont's current rates. This deficiency results in a return on common equity under existing rates that is 137 basis points below that approved in Piedmont's last general rate case. The attached schedules also reflect proposed rate revisions, calculated in conformance with the rate allocation principles approved in Piedmont's last general rate case,

needed to return Piedmont's rate of return on common equity to the midpoint of the range specified by Section 58-5-420(1).

4. The Schedules attached hereto and incorporated herein by reference consist of the following:

- (1) Present Rate Schedules are incorporated herein by reference as filed in GCRM-136 effective as of the first billing cycle in May, 2013;
- (2) Present and Proposed Rate Schedules;
- (3) Gas Plant at Original Cost;
- (4) Depreciation Schedule;
- (5) Materials and Supplies;
- (6) Cash Working Capital;
- (7) Net Operating Income and Return;
- (8) Pro Forma Revenues;
- (9) Proposed Revenues;
- (10) WNA Factors.

5. The *pro forma* revenue calculations shown on Schedule (7) indicate that \$2,512,267 in additional margin is required to permit Piedmont the opportunity to earn a rate of return on equity equal to the approved rate of return on equity adopted in Docket No. 2002-63-G, Piedmont's last general rate case.

6. Based upon the calculations provided in Schedules 3 through 10, Piedmont proposes the changes to its tariff rates reflected in Schedule 2 hereto.

7. Consistent with the requirements of Sections 58-5-430 and 58-5-455, Piedmont is concurrently serving copies of this filing on the Office of Regulatory Staff, all parties of record

to this proceeding and any other interested party that has requested in writing to receive such filings.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission accept and review Piedmont's quarterly monitoring report for the twelve-month period ended March 31, 2013 and issue an Initial Order approving Piedmont's proposed rate adjustments on or before October 15, 2013.

Respectfully submitted, this the 17th day of June, 2013.

PIEDMONT NATURAL GAS COMPANY, INC.

s/ Scott M. Tyler
Scott M. Tyler

OF COUNSEL:

Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
(704) 331-2463

CERTIFICATION

I, Thomas E. Skains and Karl W. Newlin, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

June 4, 2013

Date Signed



Karl W. Newlin
Senior Vice President and CFO

6/4/2013

Date Signed

Subscribed and Sworn to before me this
4th day of June, 2013.

Jacqueline M. Helms
Notary Public

My Commission Expires 11/29/2016.




STATE OF NORTH CAROLINA

VERIFICATION

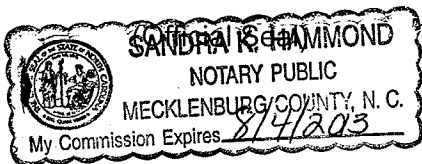
COUNTY OF MECKLENBURG

Jenny Furr, being duly sworn, deposes and says that she is Manager of Regulatory Reporting for Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.


Jenny Furr

Mecklenburg County, North Carolina
Signed and sworn to before me this day by Jenny Furr

Date: June 13, 2013 Sandra K. Hammond
Sandra K. Hammond, Notary Public



My commission expires: August 4, 2013

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached Notice is being served this date via email and UPS Overnight delivery upon:

Florence Belser
Nanette S. Edwards
Carey Stites
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
fbelser@regstaff.sc.gov
nsedwar@regstaff.sc.gov
cstites@restraff.sc.gov

And that one copy of the attached Notice is being served this date via email or U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, South Carolina 29201

David Carpenter
Vice President – Planning and Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

Pia Powers
Manager, Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 17th day of June, 2013.

s/ James H. Jeffries IV
James H. Jeffries IV

Piedmont Natural Gas Company, Inc.

Index to Schedules

Period Ended March 31, 2013

- SCHEDULE 1 - Present Rate Schedules are incorporated herein by reference as filed in GCRM-136 effective as of the first billing cycle for May, 2013.
- SCHEDULE 2 - Present and Proposed Rate Schedules.
- SCHEDULE 3 - Gas Plant at Original Cost.
- SCHEDULE 4 - Depreciation Schedule.
- SCHEDULE 5- Materials and Supplies.
- SCHEDULE 6 - Cash Working Capital.
- SCHEDULE 7 - Net Operating Income and Return.
- SCHEDULE 8 - Pro Forma Revenues.
- SCHEDULE 9 - Proposed Revenues.
- SCHEDULE 10 - WNA Factors.

SCHEDULE 1

**(Incorporated herein by reference as filed in GCRM-136
effective as of the first billing cycle for May, 2013)**

SCHEDULE 2

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

South Carolina
Rate Schedules:

| | | <u>Current</u> <u>Billing Rates</u> | <u>Change</u> | <u>Proposed</u> <u>Billing Rates</u> |
|------------|---|--|---------------|---|
| 201 | Residential Service - Value | | | |
| | Monthly Charge-winter | 10.00 | - | 10.00 |
| | Monthly Charge-summer | 8.00 | - | 8.00 |
| | Winter (Nov.-Mar.) per therm | 0.88587 | 0.05454 | 0.94041 |
| | Summer (Apr.-Oct.) per therm | 0.84180 | 0.05196 | 0.89376 |
| 221 | Residential Service - Standard | | | |
| | Monthly Charge-winter | 10.00 | - | 10.00 |
| | Monthly Charge-summer | 8.00 | - | 8.00 |
| | Winter (Nov.-Mar.) per therm | 1.05360 | 0.02523 | 1.07883 |
| | Summer (Apr.-Oct.) per therm | 1.05097 | 0.01582 | 1.06679 |
| 205 | Outdoor Gas Light Service | | | |
| | Monthly Charge | \$15.00 | - | 15.00 |
| 202 | Small General Service-Standard | | | |
| | Monthly Charge | 22.00 | - | 22.00 |
| | Winter (Nov.-Mar.) per therm | 0.96778 | 0.02330 | 0.99108 |
| | Summer (Apr.-Oct.) per therm | 0.93611 | 0.02645 | 0.96256 |
| 232 | Small General Service-Value | | | |
| | Monthly Charge | 22.00 | - | 22.00 |
| | Winter (Nov.-Mar.) per therm | | | |
| | First 2,000 | 0.91650 | 0.03155 | 0.94805 |
| | Over 2,000 | 0.89141 | 0.03649 | 0.92790 |
| | Summer (Apr.-Oct.) per therm | | | |
| | First 2,000 | 0.83407 | 0.04223 | 0.87630 |
| | Over 2,000 | 0.81105 | 0.04645 | 0.85750 |
| 252 | Medium General Service-Standard | | | |
| | Monthly Charge | 75.00 | - | 75.00 |
| | Winter (Nov.-Mar.) per therm | 0.93122 | 0.00944 | 0.94066 |
| | Summer (Apr.-Oct.) per therm | 0.89438 | 0.01531 | 0.90969 |
| 262 | Medium General Service-Value | | | |
| | Monthly Charge | 75.00 | - | 75.00 |
| | Winter (Nov.-Mar.) per therm | | | |
| | First 5,000 | 0.87276 | 0.01841 | 0.89117 |
| | Over 5,000 | 0.84395 | 0.02377 | 0.86772 |
| | Summer (Apr.-Oct.) per therm | | | |
| | First 5,000 | 0.79307 | 0.02871 | 0.82178 |
| | Over 5,000 | 0.77210 | 0.03212 | 0.80422 |
| 242 | Small General Service-Motor Fuel | | | |
| | Monthly Charge | 22.00 | - | 22.00 |
| | Winter (Nov.-Mar.) per therm | 0.87258 | 0.01857 | 0.89115 |
| | Summer (Apr.-Oct.) per therm | 0.93237 | 0.02012 | 0.95249 |
| | Winter (Nov.-Mar.) per GGE* | 1.09945 | 0.02340 | 1.12285 |
| | Summer (Apr.-Oct.) per GGE* | 1.17479 | 0.02535 | 1.20014 |

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

South Carolina
Rate Schedules:

| | <u>Current Billing Rates</u> | <u>Change</u> | <u>Proposed Billing Rates</u> |
|--|----------------------------------|---------------|-----------------------------------|
| 203 Large General Sales Service | | | |
| Monthly Charge | \$250.00 | - | 250.00 |
| Billing Demand per therm | 1.79812 | - | 1.79812 |
| Winter (Nov.-Mar.) per therm | | | |
| First 15,000 | 0.72814 | 0.01700 | 0.74514 |
| Next 15,000 | 0.65658 | 0.01374 | 0.67032 |
| Next 75,000 | 0.62109 | 0.02818 | 0.64927 |
| Next 165,000 | 0.54185 | - | 0.54185 |
| Next 330,000 | 0.48653 | - | 0.48653 |
| Over 600,000 | 0.45796 | - | 0.45796 |
| Summer (Apr.-Oct.) per therm | | | |
| First 15,000 | 0.63502 | 0.00677 | 0.64179 |
| Next 15,000 | 0.58552 | 0.00508 | 0.59060 |
| Next 75,000 | 0.59076 | 0.00868 | 0.59944 |
| Next 165,000 | 0.52328 | - | 0.52328 |
| Next 330,000 | 0.48153 | - | 0.48153 |
| Over 600,000 | 0.45796 | - | 0.45796 |
| 204 Interruptible Sales Service | | | |
| Monthly Charge | \$250.00 | - | 250.00 |
| Winter (Nov.-Mar.) per therm | | | |
| First 15,000 | 0.80875 | 0.05907 | 0.86782 |
| Next 15,000 | 0.73214 | 0.07090 | 0.80304 |
| Next 75,000 | 0.67564 | 0.06915 | 0.74479 |
| Next 165,000 | 0.69554 | 0.01330 | 0.70884 |
| Next 330,000 | 0.58497 | 0.03014 | 0.61511 |
| Over 600,000 | 0.49796 | - | 0.49796 |
| Summer (Apr.-Oct.) per therm | | | |
| First 15,000 | 0.65082 | 0.01912 | 0.66994 |
| Next 15,000 | 0.60088 | 0.01860 | 0.61948 |
| Next 75,000 | 0.57376 | 0.02200 | 0.59576 |
| Next 165,000 | 0.55620 | 0.00757 | 0.56377 |
| Next 330,000 | 0.49653 | 0.02133 | 0.51786 |
| Over 600,000 | 0.46796 | - | 0.46796 |

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

South Carolina
Rate Schedules:

| | <u>Current Billing Rates</u> | <u>Change</u> | <u>Proposed Billing Rates</u> |
|---|----------------------------------|---------------|-----------------------------------|
| 213 Large General Transportation Service | | | |
| Monthly Charge | \$250.00 | - | 250.00 |
| Standby Demand per therm | 1.20161 | - | 1.20161 |
| Billing Demand per therm | 0.59651 | - | 0.59651 |
| Winter (Nov.-Mar.) per therm | | | |
| First 15,000 | 0.24840 | 0.00352 | 0.25192 |
| Next 15,000 | 0.18157 | 0.00283 | 0.18440 |
| Next 75,000 | 0.13510 | 0.00310 | 0.13820 |
| Next 165,000 | 0.09179 | - | 0.09179 |
| Next 330,000 | 0.03678 | - | 0.03678 |
| Over 600,000 | 0.00796 | - | 0.00796 |
| Summer (Apr.-Oct.) per therm | | | |
| First 15,000 | 0.17731 | 0.00612 | 0.18343 |
| Next 15,000 | 0.12889 | 0.00570 | 0.13459 |
| Next 75,000 | 0.10320 | 0.00570 | 0.10890 |
| Next 165,000 | 0.07000 | 0.00625 | 0.07625 |
| Next 330,000 | 0.03153 | - | 0.03153 |
| Over 600,000 | 0.00796 | - | 0.00796 |
| 214 Interruptible Transportation Service | | | |
| Monthly Charge | \$250.00 | - | 250.00 |
| Winter (Nov.-Mar.) per therm | | | |
| First 15,000 | 0.24799 | 0.00287 | 0.25086 |
| Next 15,000 | 0.18104 | 0.00194 | 0.18298 |
| Next 75,000 | 0.13257 | 0.00103 | 0.13360 |
| Next 165,000 | 0.08439 | 0.00042 | 0.08481 |
| Next 330,000 | 0.03743 | 0.00051 | 0.03794 |
| Over 600,000 | 0.00796 | - | 0.00796 |
| Summer (Apr.-Oct.) per therm | | | |
| First 15,000 | 0.17691 | 0.00540 | 0.18231 |
| Next 15,000 | 0.12775 | 0.00395 | 0.13170 |
| Next 75,000 | 0.09734 | 0.00256 | 0.09990 |
| Next 165,000 | 0.06681 | 0.00954 | 0.07635 |
| Next 330,000 | 0.05186 | (0.00017) | 0.05169 |
| Over 600,000 | 0.00796 | - | 0.00796 |

*The rates convert 1.26 therms to 1 GGE.

SCHEDULE 3

Schedule 3

Piedmont Natural Gas Company, Inc.
Original Cost of Property Used and Useful
in Public Service in South Carolina
March 31, 2013

| <u>Line No.</u> | <u>Title of Account</u> | |
|---------------------|-------------------------|-----------------------|
| 1 | Intangible Plant | \$ 146,199 |
| 2 | Production Plant | 0 |
| 3 | Local Storage Plant | 11,431,394 |
| 4 | Transmission Plant | 43,280,631 |
| 5 | Distribution Plant | 323,834,373 |
| 6 | General Plant | <u>32,695,096</u> |
| 7 | Total | <u>\$ 411,387,692</u> |

SCHEDULE 4

Piedmont Natural Gas Company, Inc.
 South Carolina Operations
 Accumulated Depreciation, Depreciation Policy and Rates
 March 31, 2013

Accumulated Depreciation

Per books as of March 31, 2013

\$182,852,470

Depreciation Policy

Piedmont computes depreciation expense monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Company is booking depreciation expense at the depreciation rates recommended in a depreciation study performed as of 2009. These depreciation rates were approved as a result of the Commission's findings in Docket No. 2011-7-G, Order No. 2011-741.

Piedmont allocates depreciation expense on the LNG plants located in North Carolina between South Carolina and North Carolina on the basis of design-day demand during the test period. We allocate depreciation expense on other jointly-used property between South Carolina, North Carolina and Tennessee or between South Carolina and North Carolina only, on the basis of net plant depending upon the actual usage of the property.

Piedmont computes depreciation expense on transportation equipment over estimated useful lives after deducting from the original cost an estimated salvage value of 20% for passenger cars, trucks and heavy equipment.

Depreciation Rates

Based on plant in service as of March 31, 2013, the current composite depreciation rates are:

| | |
|---------------------|-------|
| Intangible Plant | 0.00% |
| Production Plant | 0.00% |
| Local Storage Plant | 1.89% |
| Transmission Plant | 1.89% |
| Distribution Plant | 2.67% |
| General Plant | 5.42% |

SCHEDULE 5

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Average Materials and Supplies
March 31, 2013

Line
No.

| | | |
|---|---|----------------------|
| 1 | Operating and Construction Supplies (a) | \$ 136,913 |
| 2 | Natural Gas Stored (b) | <u>10,891,887</u> |
| 3 | Total | <u>\$ 11,028,800</u> |

(a) Includes Materials Distribution Center inventory allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of October 31, 2012 (9.20% to SC).

(b) Allocated to South Carolina on the basis of design day in South Carolina and North Carolina. (16.01% to SC).

SCHEDULE 6

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Cash Working Capital
March 31, 2013

Line
No.

| | | | |
|---|---|----|------------------|
| 1 | One-Eighth (12.5%) of Operations and Maintenance Expenses | \$ | 3,378,096 |
| 2 | Prepayments (a) | | 368,978 |
| 3 | Average Tax Accruals (deduct) | | <u>(683,101)</u> |
| 4 | Total | \$ | <u>3,063,973</u> |

- (a) Allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2013 (8.94% to SC).

SCHEDULE 7

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Updated Net Operating Income and Rate of Return
For The Twelve Months Ended March 31, 2013

| | (1) Per Filing | (2) Accounting and Pro Forma Adjustments | (3) After Accounting and Pro Forma Adjustments | (4) Adjustments for Proposed Margin | (5) Adjustments for Demand Costs | (6) After Adjustments for Proposed Rates |
|---|-----------------------|---|--|--|--|--|
| <u>Operating Revenues</u> | | | | | | |
| 1 Sales and Transportation of Gas | \$ 131,032,295 | \$ 19,217,810 (1) | \$ 150,250,105 | \$ 2,512,267 (11) | \$ 1,982,481 (17) | \$ 154,744,853 |
| 2 Other Operating Revenues | 805,792 | - | 805,792 | - | - | 805,792 |
| 3 Total Operating Revenues | <u>\$ 131,838,087</u> | <u>\$ 19,217,810</u> | <u>\$ 151,055,897</u> | <u>\$ 2,512,267</u> | <u>\$ 1,982,481</u> | <u>\$ 155,550,645</u> |
| <u>Operating Expenses</u> | | | | | | |
| 4 Cost of Gas | \$ 63,235,478 | \$ 19,449,932 (2) | \$ 82,685,410 | \$ - | \$ 1,967,875 (18) | \$ 84,653,285 |
| 5 Operations and Maintenance | 27,024,766 | (1,152,458) (3) | 25,872,308 | 5,931 (12) | 4,681 (19) | 25,882,920 |
| 6 Depreciation | 10,921,802 | 456,712 (4) | 11,378,514 | - | - | 11,378,514 |
| 7 General Taxes | 5,863,584 | (41,628) (5) | 5,821,956 | 12,577 (13) | 9,925 (20) | 5,844,458 |
| 8 State Income Taxes | 1,368,837 | (350,764) (6) | 1,018,073 | 124,688 (14) | - | 1,142,761 |
| 9 Federal Income Taxes | 6,522,751 | 224,638 (7) | 6,747,389 | 829,175 (15) | - | 7,576,564 |
| 10 Amortization of Investment Tax Credits | (35,011) | - | (35,011) | - | - | (35,011) |
| 11 Total Operating Expenses | <u>\$ 114,902,206</u> | <u>\$ 18,586,433</u> | <u>\$ 133,488,639</u> | <u>\$ 972,371</u> | <u>\$ 1,982,481</u> | <u>\$ 136,443,491</u> |
| 12 Net Operating Income | \$ 16,935,881 | \$ 631,377 | \$ 17,567,258 | \$ 1,539,896 | \$ - | \$ 19,107,154 |
| 13 Interest on Customers' Deposits | (118,507) | - | (118,507) | - | - | (118,507) |
| 14 Amortization of Debt Redemption Premium | - | - (8) | - | - | - | - |
| 15 Allowance for Funds Used During Construction | 298,623 | (18,180) | 280,443 | - | - | 280,443 |
| 16 Customer Growth | 103,309 | 3,851 (9) | 107,160 | 9,393 (16) | - | 116,554 |
| 17 Net Operating Income for Return | <u>\$ 17,219,306</u> | <u>\$ 617,048</u> | <u>\$ 17,836,354</u> | <u>\$ 1,549,289</u> | <u>\$ -</u> | <u>\$ 19,385,643</u> |
| <u>Original Cost Rate Base</u> | | | | | | |
| 18 Plant in Service | \$ 411,387,692 | \$ - | \$ 411,387,692 | | | \$ 411,387,692 |
| 19 Accumulated Depreciation | (182,852,470) | - | (182,852,470) | | | (182,852,470) |
| 20 Net Plant in Service | <u>\$ 228,535,222</u> | <u>\$ -</u> | <u>\$ 228,535,222</u> | | | <u>\$ 228,535,222</u> |
| Add: | | | | | | |
| 21 Construction Work in Progress | 29,647,608 | - | 29,647,608 | | | 29,647,608 |
| 22 Materials and Supplies | 11,028,800 | - | 11,028,800 | | | 11,028,800 |
| 23 Cash Working Capital | 3,063,973 | (144,057) (10) | 2,919,916 | | | 2,919,916 |
| Deduct: | | | | | | |
| 24 Customers' Advances | - | - | - | | | - |
| 25 Customers' Deposits | 3,278,002 | - | 3,278,002 | | | 3,278,002 |
| 26 Accumulated Deferred Income Taxes | 54,743,330 | - | 54,743,330 | | | 54,743,330 |
| 27 Unclaimed Funds | 161,895 | - | 161,895 | | | 161,895 |
| 28 Original Cost Rate Base | <u>\$ 214,092,376</u> | <u>\$ (144,057)</u> | <u>\$ 213,948,319</u> | | | <u>\$ 213,948,319</u> |
| <u>Rate of Return</u> | | | | | | |
| 29 On Original Cost Rate Base | <u>8.04%</u> | | <u>8.34%</u> | | | <u>9.06%</u> |

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|----------------|-------------------------|---|---|----------------|----------------------------|--------------------------------|--------------------------|------------------------------|---------------------------------|
| Piedmont Natural Gas Company, Inc. South Carolina Operations Return on Common Equity and Original Cost Net Investment <u>For The Twelve Months Ended March 31, 2013</u> | | | | | | | | | | |
| | | | | <u>After Accounting and Pro Forma Adjustments</u> | | | | | | |
| | | <u>Per Books</u> | <u>Accounting and Pro Forma Adjustments</u> | <u>Adjusted Capitalization</u> | <u>Ratio</u> | <u>Agreed to Ratio</u> | <u>Cost Net Investment</u> | <u>Embedded Cost</u> | <u>Overall Cost Rate</u> | <u>Net Operating Income</u> |
| 1 | Long-Term Debt | \$ 863,944,488 | \$ 297,125,000 | \$ 1,161,069,488 | 48.78% | 47.00% | \$ 100,555,710 | 5.07% | 2.38% | \$5,098,174 |
| 2 | Common Equity | <u>1,219,389,148</u> | <u>-</u> | <u>1,219,389,148</u> | <u>51.22%</u> | <u>53.00%</u> | <u>113,392,609</u> | <u>11.23%</u> | <u>5.95%</u> | <u>12,738,179</u> |
| 3 | Total | <u>\$ 2,083,333,636</u> | <u>\$ 297,125,000</u> | <u>\$ 2,380,458,636</u> | <u>100.00%</u> | <u>100.00%</u> | <u>\$ 213,948,319</u> | | <u>8.34%</u> | <u>\$17,836,354</u> |
| | | | | | | | | | | |
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Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2013

Line
No.

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|---|---|-----------------------|
| 1 | <u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis. | <u>\$ 19,217,810</u> |
| 2 | <u>Cost of Gas</u> To increase cost of gas to the going-level basis. | <u>\$ 19,449,932</u> |
| 3 | <u>Operations and Maintenance Expenses</u> | |
| A | To decrease payroll costs to the going-level basis. | \$ (737,290) |
| B | To decrease expenses for the salary and payroll investment plans. | (8,168) |
| C | To decrease expenses for pension costs. | (8,830) |
| D | To decrease expenses for the provision for uncollectible accounts to reflect actual net write-offs over a three-year period. | (29,066) |
| E | To decrease expenses for allocations to non-utility activities. | (24,977) |
| F | To increase expenses for the long-term incentive plan. | 11,945 |
| G | To decrease expenses for the short-term incentive plan. | (211,825) |
| H | To decrease expenses for the MVP incentive plan. | (236,579) |
| I | To increase expenses for group insurance for projected costs. | 73,067 |
| J | To increase expenses for Piedmont Town Center lease. | 10,953 |
| K | To increase expenses for Piedmont Town Center CAM Expenses. | 2,273 |
| L | To increase expense for amortization of early retirement incentive. | 151,229 |
| M | To decrease expenses for the South Carolina assessment fee. | (9,848) |
| N | To decrease expenses for non-allowables for ratemaking purposes. | (157,282) |
| O | To adjust expense for GTI Expenses | - |
| P | To increase expenses for amortization of SC Environmental Expense | 21,940 |
| | Total | <u>\$ (1,152,458)</u> |
| 4 | <u>Depreciation Expense</u> To increase depreciation expense to the going-level basis using the most current depreciation study rates. | <u>\$ 456,712</u> |
| 5 | <u>General Taxes</u> | |
| A | To decrease property taxes to the going-level basis. | \$ (2,582) |
| B | To decrease payroll taxes to the going-level basis. | (135,253) |
| C | To increase franchise taxes and gross receipts tax to the going-level basis. | 96,207 |
| | Total | <u>\$ (41,628)</u> |

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2013

Line
No.

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| 6 | <u>State Income Taxes</u> To decrease state income taxes (rate of 5%) to reflect the impact on income after accounting and pro forma adjustments. | <u>\$ (350,764)</u> |
| 7 | <u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income after accounting and pro forma adjustments. | <u>\$ 224,638</u> |
| 8 | <u>Amortization of Debt Redemption Premium</u> To adjust net operating income for amortization of debt redemption premium. | <u>\$ -</u> |
| 9 | <u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .61%) following the adjustments to operating revenues and expenses. | <u>\$ 3,851</u> |
| 10 | <u>Cash Working Capital</u> To decrease cash working capital following the pro forma adjustments to operations and maintenance expenses (rate of 12.5%). | <u>\$ (144,057)</u> |
| 11 | <u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas for the proposed margin increase. | <u>\$ 2,512,267</u> |
| 12 | <u>Operations and Maintenance Expenses</u> To increase the provision for uncollectible accounts (rate of .23610%) following the adjustment to operating revenues. | <u>\$ 5,931</u> |
| 13 | <u>General Taxes</u> To adjust franchise taxes (rate of .3%) and gross receipts tax (rate of .200616%) for the proposed margin increase. | <u>\$ 12,577</u> |

Piedmont Natural Gas Company, Inc.
South Carolina Operations
Accounting and Pro Forma Adjustments
For The Twelve Months Ended March 31, 2013

Line
No.

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| 14 | <u>State Income Taxes</u> To increase state income taxes (rate of 5%) to reflect the impact on income from the adjustments to operating revenues and expenses. | \$ 124,688 |
| 15 | <u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) to reflect the impact on income from the adjustments to operating revenues, expenses and state income taxes. | \$ 829,175 |
| 16 | <u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .61%) following the adjustments to operating revenues and expenses. | \$ 9,393 |
| 17 | <u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas associated with the demand cost under-recovery. | \$ 1,982,481 |
| 18 | <u>Cost of Gas</u> To increase cost of gas for the demand cost under-recovery. | \$ 1,967,875 |
| 19 | <u>Operations and Maintenance Expenses</u> To increase the provision for uncollectible accounts (rate of .23610%) following the adjustment to operating revenues. | \$ 4,681 |
| 20 | <u>General Taxes</u> To adjust franchise taxes (rate of .3%) and gross receipts tax (rate of .200616%) for the adjustment to revenue for demand cost under-recovery. | \$ 9,925 |

SCHEDULE 8

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

PRO FORMA REVENUE CALCULATIONS

| (dekatherms) Rate Schedule | Test Period Actual (1) | Normalized Adjustment (2) | Proforma Dekatherms (3) | Proforma Bills (4) | Current Margin Rate (5) | Current Demand Rate (6) | Current Commodity Rate (7) | Total Current Rates (8) | Total Proforma Revenue (9) |
|--|---------------------------------|---------------------------------|-------------------------------|--------------------------|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| Residential Service - Value 201 | | | | | | | | | |
| Bills - Winter | 192,154 | | | 192,154 | \$10.00 | | | \$10.00 | \$1,921,540 |
| Bills - Summer | 262,924 | | | 262,924 | \$8.00 | | | \$8.00 | \$2,103,392 |
| DTs - Winter | 1,993,457 | 131,801 | 2,125,258 | | \$3.7906 | \$0.4885 | \$4.5796 | \$8.8587 | \$18,827,023 |
| DTs - Summer | 625,000 | 131,591 | 756,591 | | \$3.3499 | \$0.4885 | \$4.5796 | \$8.4180 | \$6,368,983 |
| Residential Service - Standard 221 | | | | | | | | | |
| Bills - Winter | 411,641 | | | 411,641 | \$10.00 | | | \$10.00 | \$4,116,410 |
| Bills - Summer | 566,116 | | | 566,116 | \$8.00 | | | \$8.00 | \$4,528,928 |
| DTs - Winter | 3,204,137 | 238,843 | 3,442,980 | | \$3.7906 | \$2.1658 | \$4.5796 | \$10.5360 | \$36,275,237 |
| DTs - Summer | 540,903 | 248,618 | 789,521 | | \$3.3499 | \$2.5802 | \$4.5796 | \$10.5097 | \$8,297,629 |
| <u>TOTAL RESIDENTIAL</u> | | | | | | | | | |
| Bills | 1,432,835 | | | 1,432,835 | | | | | |
| DTs | 6,363,497 | 750,853 | 7,114,350 | | | | | | \$82,439,142 |
| Small General Service - Standard 202 | | | | | | | | | |
| Bills | 121,638 | | | 121,638 | \$22.00 | | | \$22.00 | \$2,676,036 |
| DTs - Winter | 1,540,273 | 144,503 | 1,684,776 | | \$3.0916 | \$2.0066 | \$4.5796 | \$9.6778 | \$16,304,925 |
| DTs - Summer | 205,319 | 99,501 | 304,820 | | \$2.9811 | \$1.8004 | \$4.5796 | \$9.3611 | \$2,853,451 |
| Small General Service - Value 232 | | | | | | | | | |
| Bills | 44,309 | | | 44,309 | \$22.00 | | | \$22.00 | \$974,798 |
| First 200 | 960,199 | 28,597 | 988,796 | | \$3.0916 | \$1.4938 | \$4.5796 | \$9.1650 | \$9,062,315 |
| Over 200 | 216,655 | 6,452 | 223,107 | | \$3.0916 | \$1.2429 | \$4.5796 | \$8.9141 | \$1,988,798 |
| DTs - Winter | 1,176,854 | 35,049 | 1,211,903 | | | | | | |
| First 200 | 1,028,723 | 28,647 | 1,057,370 | | \$2.9811 | \$0.7800 | \$4.5796 | \$8.3407 | \$8,819,206 |
| Over 200 | 112,591 | 3,136 | 115,727 | | \$2.9811 | \$0.5498 | \$4.5796 | \$8.1105 | \$938,604 |
| DTs - Summer | 1,141,314 | 31,783 | 1,173,097 | | | | | | |
| Medium General Service - Standard 252 | | | | | | | | | |
| Bills | 168 | | | 168 | \$75.00 | | | \$75.00 | \$12,600 |
| DTs - Winter | 68,474 | 7,280 | 75,754 | | \$3.0916 | \$1.6410 | \$4.5796 | \$9.3122 | \$705,436 |
| DTs - Summer | 12,331 | 3,695 | 16,026 | | \$2.9811 | \$1.3831 | \$4.5796 | \$8.9438 | \$143,333 |
| Medium General Service - Value 262 | | | | | | | | | |
| Bills | 793 | | | 793 | \$75.00 | | | \$75.00 | \$59,475 |
| First 500 | 156,223 | 3,703 | 159,926 | | \$3.0916 | \$1.0564 | \$4.5796 | \$8.7276 | \$1,395,770 |
| Over 500 | 179,110 | 4,244 | 183,354 | | \$3.0916 | \$0.7683 | \$4.5796 | \$8.4395 | \$1,547,416 |
| DTs - Winter | 335,333 | 7,947 | 343,280 | | | | | | |
| First 500 | 206,047 | 4,756 | 210,803 | | \$2.9811 | \$0.3700 | \$4.5796 | \$7.9307 | \$1,671,815 |
| Over 500 | 146,006 | 3,369 | 149,375 | | \$2.9811 | \$0.1603 | \$4.5796 | \$7.7210 | \$1,153,324 |
| DTs - Summer | 352,053 | 8,125 | 360,178 | | | | | | |

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

PRO FORMA REVENUE CALCULATIONS

| (dekatherms) Rate Schedule | Test Period Actual (1) | Normalized Adjustment (2) | Proforma Dekatherms (3) | Proforma Bills (4) | Current Margin Rate (5) | Current Demand Rate (6) | Current Commodity Rate (7) | Total Current Rates (8) | Total Proforma Revenue (9) |
|---|---------------------------------|---------------------------------|-------------------------------|--------------------------|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| Small General Service - Motor Fuel 242 | | | | | | | | | |
| Bills | 20 | | | 20 | \$22.00 | | | \$22.00 | \$440 |
| DTs - Winter | 4,569 | | 4,569 | | \$2.5000 | \$1.6452 | \$4.5796 | \$8.7258 | \$39,868 |
| DTs - Summer | 6,857 | | 6,857 | | \$2.5000 | \$2.2441 | \$4.5796 | \$9.3237 | \$63,933 |
| Winter Rate per GGE* | | | | | | | | \$1.09945 | |
| Summer Rate per GGE* | | | | | | | | \$1.17479 | |
| TOTAL COMMERCIAL | | | | | | | | | |
| Bills | 166,928 | | | 166,928 | | | | | |
| DTs | 4,843,377 | 337,883 | 6,181,260 | | | | | | \$50,411,543 |
| Large General Service - Sales 203 | | | | | | | | | |
| Bills | 156 | | | 156 | \$250.00 | | | \$250.00 | \$39,000 |
| Demand DTs | 22,822 | 0 | | 22,822 | \$5.0000 | \$12.9812 | \$0.0000 | \$17.9812 | \$410,367 |
| First 1,500 | 90,356 | 0 | 90,356 | | \$1.8569 | \$0.8449 | \$4.5796 | \$7.2814 | \$657,918 |
| Next 1,500 | 54,353 | 0 | 54,353 | | \$1.2998 | \$0.6864 | \$4.5796 | \$6.5658 | \$356,871 |
| Next 7,500 | 19,680 | 0 | 19,680 | | \$0.9285 | \$0.7028 | \$4.5796 | \$6.2109 | \$122,231 |
| Next 16,500 | 0 | 0 | 0 | | \$0.5571 | \$0.2818 | \$4.5796 | \$5.4185 | \$0 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.1000 | \$4.5796 | \$4.8653 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$4.5796 | \$4.5796 | \$0 |
| DTs - Winter | 164,389 | 0 | 164,389 | | | | | | |
| First 1,500 | 129,244 | 0 | 129,244 | | \$1.1141 | \$0.6565 | \$4.5796 | \$6.3502 | \$820,725 |
| Next 1,500 | 63,031 | 0 | 63,031 | | \$0.7428 | \$0.5328 | \$4.5796 | \$5.8552 | \$369,059 |
| Next 7,500 | 19,671 | 0 | 19,671 | | \$0.5571 | \$0.7709 | \$4.5796 | \$5.9076 | \$115,208 |
| Next 16,500 | 0 | 0 | 0 | | \$0.3714 | \$0.2818 | \$4.5796 | \$5.2328 | \$0 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.0500 | \$4.5796 | \$4.8153 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$4.5796 | \$4.5796 | \$0 |
| DTs - Summer | 211,946 | 0 | 211,946 | | | | | | |
| Large General Service - Transportation 213 | | | | | | | | | |
| Bills | 464 | | | 464 | \$250.00 | | | \$250.00 | \$116,000 |
| Demand DTs | 91,642 | | | 91,642 | \$5.0000 | \$0.9651 | \$0.0000 | \$5.9651 | \$546,654 |
| Standby DTs | | | | 0 | \$0.0000 | \$12.0161 | \$0.0000 | \$12.0161 | \$0 |
| First 1,500 | 273,053 | 0 | 273,053 | | \$1.8569 | \$0.5475 | \$0.0796 | \$2.4840 | \$678,264 |
| Next 1,500 | 188,115 | 0 | 188,115 | | \$1.2998 | \$0.4363 | \$0.0796 | \$1.8157 | \$341,560 |
| Next 7,500 | 151,404 | 0 | 151,404 | | \$0.9285 | \$0.3429 | \$0.0796 | \$1.3510 | \$204,547 |
| Next 16,500 | 0 | 0 | 0 | | \$0.5571 | \$0.2812 | \$0.0796 | \$0.9179 | \$0 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.1025 | \$0.0796 | \$0.3678 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$0 |
| DTs - Winter | 612,572 | 0 | 612,572 | | | | | | |
| First 1,500 | 359,036 | 0 | 359,036 | | \$1.1141 | \$0.5794 | \$0.0796 | \$1.7731 | \$636,607 |
| Next 1,500 | 202,019 | 0 | 202,019 | | \$0.7428 | \$0.4665 | \$0.0796 | \$1.2889 | \$260,382 |
| Next 7,500 | 175,960 | 0 | 175,960 | | \$0.5571 | \$0.3953 | \$0.0796 | \$1.0320 | \$181,591 |
| Next 16,500 | 37,569 | 0 | 37,569 | | \$0.3714 | \$0.2490 | \$0.0796 | \$0.7000 | \$26,298 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.0500 | \$0.0796 | \$0.3153 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$0 |
| DTs - Summer | 774,584 | 0 | 774,584 | | | | | | |

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

PRO FORMA REVENUE CALCULATIONS

| (dekatherms) | Test Period Actual (1) | Normalized Adjustment (2) | Proforma Dekatherms (3) | Proforma Bills (4) | Current Margin Rate (5) | Current Demand Rate (6) | Current Commodity Rate (7) | Total Current Rates (8) | Total Proforma Revenue (9) |
|---|---------------------------------|---------------------------------|-------------------------------|--------------------------|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|
| Rate Schedule | | | | | | | | | |
| Interruptible Service - Sales 204 | | | | | | | | | |
| Bills | 158 | | | 158 | \$250.00 | | | \$250.00 | \$39,500 |
| First 1,500 | 76,926 | 0 | 76,926 | | \$1.8569 | \$1.6510 | \$4.5796 | \$8.0875 | \$622,139 |
| Next 1,500 | 43,626 | 0 | 43,626 | | \$1.2998 | \$1.4420 | \$4.5796 | \$7.3214 | \$319,403 |
| Next 7,500 | 63,547 | 0 | 63,547 | | \$0.9285 | \$1.2483 | \$4.5796 | \$6.7584 | \$429,349 |
| Next 16,500 | 80,214 | 0 | 80,214 | | \$0.5571 | \$1.8187 | \$4.5796 | \$6.9554 | \$557,920 |
| Next 33,000 | 4,246 | 0 | 4,246 | | \$0.1857 | \$1.0844 | \$4.5796 | \$5.8497 | \$24,838 |
| Over 60,000 | 2,554 | 0 | 2,554 | | \$0.0000 | \$0.4000 | \$4.5796 | \$4.9796 | \$12,718 |
| DTs - Winter | 271,113 | 0 | 271,113 | | | | | | |
| First 1,500 | 117,139 | 0 | 117,139 | | \$1.1141 | \$0.8145 | \$4.5796 | \$6.5082 | \$762,364 |
| Next 1,500 | 71,092 | 0 | 71,092 | | \$0.7428 | \$0.6864 | \$4.5796 | \$6.0088 | \$427,178 |
| Next 7,500 | 80,493 | 0 | 80,493 | | \$0.5571 | \$0.6009 | \$4.5796 | \$5.7376 | \$461,837 |
| Next 16,500 | 47,901 | 0 | 47,901 | | \$0.3714 | \$0.6110 | \$4.5796 | \$5.5620 | \$266,425 |
| Next 33,000 | 3,000 | 0 | 3,000 | | \$0.1857 | \$0.2000 | \$4.5796 | \$4.9653 | \$14,896 |
| Over 60,000 | 978 | 0 | 978 | | \$0.0000 | \$0.1000 | \$4.5796 | \$4.6796 | \$4,577 |
| DTs - Summer | 320,603 | 0 | 320,603 | | | | | | |
| Interruptible Service - Transportation 214 | | | | | | | | | |
| Bills | 617 | | | 617 | \$250.00 | | | \$250.00 | \$154,260 |
| First 1,500 | 385,861 | 0 | 385,861 | | \$1.8569 | \$0.5434 | \$0.0796 | \$2.4799 | \$956,897 |
| Next 1,500 | 341,264 | 0 | 341,264 | | \$1.2998 | \$0.4310 | \$0.0796 | \$1.8104 | \$617,824 |
| Next 7,500 | 765,235 | 0 | 765,235 | | \$0.9285 | \$0.3176 | \$0.0796 | \$1.3257 | \$1,014,472 |
| Next 16,500 | 358,839 | 0 | 358,839 | | \$0.5571 | \$0.2072 | \$0.0796 | \$0.8439 | \$302,824 |
| Next 33,000 | 20,824 | 0 | 20,824 | | \$0.1857 | \$0.1090 | \$0.0796 | \$0.3743 | \$7,794 |
| Over 60,000 | 11,418 | 0 | 11,418 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$909 |
| DTs - Winter | 1,883,441 | 0 | 1,883,441 | | | | | | |
| First 1,500 | 489,429 | 0 | 489,429 | | \$1.1141 | \$0.5754 | \$0.0796 | \$1.7691 | \$865,849 |
| Next 1,500 | 383,378 | 0 | 383,378 | | \$0.7428 | \$0.4551 | \$0.0796 | \$1.2775 | \$489,765 |
| Next 7,500 | 740,695 | 0 | 740,695 | | \$0.5571 | \$0.3367 | \$0.0796 | \$0.9734 | \$720,993 |
| Next 16,500 | 35,790 | 0 | 35,790 | | \$0.3714 | \$0.2171 | \$0.0796 | \$0.6681 | \$23,911 |
| Next 33,000 | (126,394) | 0 | (126,394) | | \$0.1857 | \$0.2533 | \$0.0796 | \$0.5186 | (\$65,548) |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$0 |
| DTs - Summer | 1,522,898 | 0 | 1,522,898 | | | | | | |
| TOTAL INDUSTRIAL | | | | | | | | | |
| Bills | 1,395 | | | 1,395 | | | | | |
| Demand | 114,464 | | | 114,464 | | | | | |
| DTs | 5,761,646 | 0 | 5,761,646 | | | | | | \$14,917,366 |
| Outdoor Gaslight Service - Rate 205 | | | | | | | | | |
| Fixtures | 36 | 0 | 36 | | \$15.00 | | | \$15.00 | \$540 |
| DTs - Winter | 16 | 0 | 16 | | | | | | |
| DTs - Summer | 22 | 0 | 22 | | | | | | |
| Annual Revenues From Special Contracts | | | | | | | | \$ | 2,481,514 |
| TOTAL ALL RATE SCHEDULES | | | | | | | | | |
| TOTAL BILLS | 1,601,158 | | | 1,601,158 | | | | | |
| TOTAL WINTER DTs | 11,254,628 | 565,423 | 11,820,051 | | | | | | |
| TOTAL SUMMER DTs | 5,713,830 | 523,313 | 6,237,143 | | | | | | |
| ANNUAL TOTAL DTs | 16,968,468 | 1,088,736 | 18,057,194 | | | | | REVENUE \$ | 150,250,105 |
| TOTAL SALES DTs | 12,174,963 | 1,088,736 | 13,263,699 | | | | | | |
| TOTAL TRANSPORTATION DTs | 4,793,495 | 0 | 4,793,495 | | | | | | |
| ANNUAL TOTAL DTs | 16,968,468 | 1,088,736 | 18,057,194 | | | | | | |

* The rates convert 1.26 therms to 1 GGE.

SCHEDULE 9

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

PROPOSED REVENUE CALCULATIONS

| (dekatherms) Rate Schedule | Test Period Actual (1) | Normalized Adjustment (2) | Proforma Dekatherms (3) | Proforma Bills (4) | Proposed Margin Rate (5) | Proposed Demand Rate (6) | Proposed Commodity Rate (7) | Total Proposed Rates (8) | Total Proforma Revenue (9) |
|--|---------------------------------|---------------------------------|-------------------------------|--------------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|
| Residential Service - Value 201 | | | | | | | | | |
| Bills - Winter | 192,154 | | | 192,154 | \$ 10.00 | | | \$ 10.00 | \$1,921,540 |
| Bills - Summer | 262,924 | | | 262,924 | \$ 8.00 | | | \$ 8.00 | \$2,103,392 |
| DTs - Winter | 1,993,457 | 131,801 | 2,125,258 | | \$4.0261 | \$0.7984 | \$4.5796 | \$9.4041 | \$19,986,139 |
| DTs - Summer | 625,000 | 131,591 | 756,591 | | \$3.5581 | \$0.7999 | \$4.5796 | \$8.9376 | \$6,762,108 |
| Residential Service - Standard 221 | | | | | | | | | |
| Bills - Winter | 411,641 | | | 411,641 | \$ 10.00 | | | \$ 10.00 | \$4,116,410 |
| Bills - Summer | 566,116 | | | 566,116 | \$ 8.00 | | | \$ 8.00 | \$4,528,928 |
| DTs - Winter | 3,204,137 | 238,843 | 3,442,980 | | \$4.0261 | \$2.1826 | \$4.5796 | \$10.7883 | \$37,143,901 |
| DTs - Summer | 540,903 | 248,618 | 789,521 | | \$3.5581 | \$2.5302 | \$4.5796 | \$10.6679 | \$8,422,531 |
| <u>TOTAL RESIDENTIAL</u> | | | | | | | | | |
| Bills | 1,432,835 | | | 1,432,835 | | | | | |
| DTs | 6,363,497 | 750,853 | 7,114,350 | | | | | | \$84,984,949 |
| Small General Service - Standard 202 | | | | | | | | | |
| Bills | 121,638 | | | 121,638 | \$ 22.00 | | | \$ 22.00 | \$2,676,036 |
| DTs - Winter | 1,540,273 | 144,503 | 1,684,776 | | \$3.2635 | \$2.0677 | \$4.5796 | \$9.9108 | \$16,697,478 |
| DTs - Summer | 205,319 | 99,501 | 304,820 | | \$3.1469 | \$1.8991 | \$4.5796 | \$9.6256 | \$2,934,075 |
| Small General Service - Value 232 | | | | | | | | | |
| Bills | 44,309 | | | 44,309 | \$ 22.00 | | | \$ 22.00 | \$974,798 |
| First 200 | 960,199 | 28,597 | 988,796 | | \$3.2635 | \$1.6374 | \$4.5796 | \$9.4805 | \$9,374,280 |
| Over 200 | 216,655 | 6,452 | 223,107 | | \$3.2635 | \$1.4359 | \$4.5796 | \$9.2790 | \$2,070,210 |
| DTs - Winter | 1,176,854 | 35,049 | 1,211,903 | | | | | | |
| First 200 | 1,028,723 | 28,647 | 1,057,370 | | \$3.1469 | \$1.0365 | \$4.5796 | \$8.7630 | \$9,265,733 |
| Over 200 | 112,591 | 3,136 | 115,727 | | \$3.1469 | \$0.8485 | \$4.5796 | \$8.5750 | \$992,359 |
| DTs - Summer | 1,141,314 | 31,783 | 1,173,097 | | | | | | |
| Medium General Service - Standard 252 | | | | | | | | | |
| Bills | 168 | | | 168 | \$ 75.00 | | | \$ 75.00 | \$12,600 |
| DTs - Winter | 68,474 | 7,280 | 75,754 | | \$3.2635 | \$1.5635 | \$4.5796 | \$9.4066 | \$712,588 |
| DTs - Summer | 12,331 | 3,695 | 16,026 | | \$3.1469 | \$1.3704 | \$4.5796 | \$9.0969 | \$145,787 |
| Medium General Service - Value 262 | | | | | | | | | |
| Bills | 793 | | | 793 | \$ 75.00 | | | \$ 75.00 | \$59,475 |
| First 500 | 156,223 | 3,703 | 159,926 | | \$3.2635 | \$1.0686 | \$4.5796 | \$8.9117 | \$1,425,213 |
| Over 500 | 179,110 | 4,244 | 183,354 | | \$3.2635 | \$0.8341 | \$4.5796 | \$8.6772 | \$1,590,999 |
| DTs - Winter | 335,333 | 7,947 | 343,280 | | | | | | |
| First 500 | 206,047 | 4,756 | 210,803 | | \$3.1469 | \$0.4913 | \$4.5796 | \$8.2178 | \$1,732,337 |
| Over 500 | 146,006 | 3,369 | 149,375 | | \$3.1469 | \$0.3157 | \$4.5796 | \$8.0422 | \$1,201,304 |
| DTs - Summer | 352,053 | 8,125 | 360,178 | | | | | | |

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

PROPOSED REVENUE CALCULATIONS

| (dekatherms) Rate Schedule | Test Period Actual (1) | Normalized Adjustment (2) | Proforma Dekatherms (3) | Proforma Bills (4) | Proposed Margin Rate (5) | Proposed Demand Rate (6) | Proposed Commodity Rate (7) | Total Proposed Rates (8) | Total Proforma Revenue (9) |
|---|---------------------------------|---------------------------------|-------------------------------|--------------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|
| Small General Service - Motor Fuel 242 | | | | | | | | | |
| Bills | 20 | | | 20 | \$ 22.00 | | | \$ 22.00 | \$440 |
| DTs - Winter | 4,569 | | 4,569 | | \$2.6390 | \$1.6929 | \$4.5796 | \$8.9115 | \$40,717 |
| DTs - Summer | 6,857 | | 6,857 | | \$2.6390 | \$2.3063 | \$4.5796 | \$9.5249 | \$65,312 |
| Winter Rate per GGE* | | | | | | | | \$1.12285 | |
| Summer Rate per GGE* | | | | | | | | \$1.20014 | |
| TOTAL COMMERCIAL | | | | | | | | | |
| Bills | 166,928 | | | 166,928 | | | | | |
| DTs | 4,843,377 | 337,883 | 5,181,260 | | | | | | \$51,971,741 |
| Large General Service - Sales 203 | | | | | | | | | |
| Bills | 156 | | | 156 | \$ 250.00 | | | \$ 250.00 | \$39,000 |
| Demand DTs | 22,822 | 0 | | 22,822 | \$5.0000 | \$12.9812 | \$0.0000 | \$17.9812 | \$410,367 |
| First 1,500 | 90,356 | 0 | 90,356 | | \$1.8569 | \$1.0149 | \$4.5796 | \$7.4514 | \$673,279 |
| Next 1,500 | 54,353 | 0 | 54,353 | | \$1.2998 | \$0.8238 | \$4.5796 | \$6.7032 | \$364,339 |
| Next 7,500 | 19,680 | 0 | 19,680 | | \$0.9285 | \$0.9846 | \$4.5796 | \$6.4927 | \$127,776 |
| Next 16,500 | 0 | 0 | 0 | | \$0.5571 | \$0.2818 | \$4.5796 | \$5.4185 | \$0 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.1000 | \$4.5796 | \$4.8653 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$4.5796 | \$4.5796 | \$0 |
| DTs - Winter | 164,389 | 0 | 164,389 | | | | | | |
| First 1,500 | 129,244 | 0 | 129,244 | | \$1.1141 | \$0.7242 | \$4.5796 | \$6.4179 | \$829,475 |
| Next 1,500 | 63,031 | 0 | 63,031 | | \$0.7428 | \$0.5836 | \$4.5796 | \$5.9060 | \$372,261 |
| Next 7,500 | 19,671 | 0 | 19,671 | | \$0.5571 | \$0.8577 | \$4.5796 | \$5.9944 | \$117,916 |
| Next 16,500 | 0 | 0 | 0 | | \$0.3714 | \$0.2818 | \$4.5796 | \$5.2328 | \$0 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.0500 | \$4.5796 | \$4.8153 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$4.5796 | \$4.5796 | \$0 |
| DTs - Summer | 211,946 | 0 | 211,946 | | | | | | |
| Large General Service - Transportation 213 | | | | | | | | | |
| Bills | 464 | | | 464 | \$ 250.00 | | | \$ 250.00 | \$116,000 |
| Demand DTs | 91,642 | | | 91,642 | \$5.0000 | \$0.9651 | \$0.0000 | \$5.9651 | \$546,654 |
| Standby DTs | | | | 0 | \$0.0000 | \$12.0161 | \$0.0000 | \$12.0161 | \$0 |
| First 1,500 | 273,053 | 0 | 273,053 | | \$1.8569 | \$0.5827 | \$0.0796 | \$2.5192 | \$687,875 |
| Next 1,500 | 188,115 | 0 | 188,115 | | \$1.2998 | \$0.4646 | \$0.0796 | \$1.8440 | \$346,884 |
| Next 7,500 | 151,404 | 0 | 151,404 | | \$0.9285 | \$0.3739 | \$0.0796 | \$1.3820 | \$209,240 |
| Next 16,500 | 0 | 0 | 0 | | \$0.5571 | \$0.2812 | \$0.0796 | \$0.9179 | \$0 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.1025 | \$0.0796 | \$0.3678 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$0 |
| DTs - Winter | 612,572 | 0 | 612,572 | | | | | | |
| First 1,500 | 359,036 | 0 | 359,036 | | \$1.1141 | \$0.6406 | \$0.0796 | \$1.8343 | \$658,580 |
| Next 1,500 | 202,019 | 0 | 202,019 | | \$0.7428 | \$0.5235 | \$0.0796 | \$1.3459 | \$271,897 |
| Next 7,500 | 175,960 | 0 | 175,960 | | \$0.5571 | \$0.4523 | \$0.0796 | \$1.0890 | \$191,620 |
| Next 16,500 | 37,569 | 0 | 37,569 | | \$0.3714 | \$0.3115 | \$0.0796 | \$0.7625 | \$28,646 |
| Next 33,000 | 0 | 0 | 0 | | \$0.1857 | \$0.0500 | \$0.0796 | \$0.3153 | \$0 |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$0 |
| DTs - Summer | 774,584 | 0 | 774,584 | | | | | | |

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2013

PROPOSED REVENUE CALCULATIONS

| (dekatherms) | Test Period Actual (1) | Normalized Adjustment (2) | Proforma Dekatherms (3) | Proforma Bills (4) | Proposed Margin Rate (5) | Proposed Demand Rate (6) | Proposed Commodity Rate (7) | Total Proposed Rates (8) | Total Proforma Revenue (9) |
|---|---------------------------------|---------------------------------|-------------------------------|--------------------------|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|
| Rate Schedule | | | | | | | | | |
| Interruptible Service - Sales 204 | | | | | | | | | |
| Bills | 158 | | | 158 | \$ 250.00 | | | \$ 250.00 | \$39,500 |
| First 1,500 | 76,926 | 0 | 76,926 | | \$1.8569 | \$2.2417 | \$4.5796 | \$8.6782 | \$667,579 |
| Next 1,500 | 43,626 | 0 | 43,626 | | \$1.2998 | \$2.1510 | \$4.5796 | \$8.0304 | \$350,334 |
| Next 7,500 | 63,547 | 0 | 63,547 | | \$0.9285 | \$1.9398 | \$4.5796 | \$7.4479 | \$473,292 |
| Next 16,500 | 80,214 | 0 | 80,214 | | \$0.5571 | \$1.9517 | \$4.5796 | \$7.0884 | \$568,589 |
| Next 33,000 | 4,246 | 0 | 4,246 | | \$0.1857 | \$1.3858 | \$4.5796 | \$6.1511 | \$26,118 |
| Over 60,000 | 2,554 | 0 | 2,554 | | \$0.0000 | \$0.4000 | \$4.5796 | \$4.9796 | \$12,718 |
| DTs - Winter | 271,113 | 0 | 271,113 | | | | | | |
| First 1,500 | 117,139 | 0 | 117,139 | | \$1.1141 | \$1.0057 | \$4.5796 | \$6.6994 | \$784,761 |
| Next 1,500 | 71,092 | 0 | 71,092 | | \$0.7428 | \$0.8724 | \$4.5796 | \$6.1948 | \$440,401 |
| Next 7,500 | 80,493 | 0 | 80,493 | | \$0.5571 | \$0.8209 | \$4.5796 | \$5.9576 | \$479,545 |
| Next 16,500 | 47,901 | 0 | 47,901 | | \$0.3714 | \$0.6867 | \$4.5796 | \$5.6377 | \$270,051 |
| Next 33,000 | 3,000 | 0 | 3,000 | | \$0.1857 | \$0.4133 | \$4.5796 | \$5.1786 | \$15,536 |
| Over 60,000 | 978 | 0 | 978 | | \$0.0000 | \$0.1000 | \$4.5796 | \$4.6796 | \$4,577 |
| DTs - Summer | 320,603 | 0 | 320,603 | | | | | | |
| Interruptible Service - Transportation 214 | | | | | | | | | |
| Bills | 617 | | | 617 | \$ 250.00 | | | \$ 250.00 | \$154,250 |
| First 1,500 | 385,861 | 0 | 385,861 | | \$1.8569 | \$0.5721 | \$0.0796 | \$2.5086 | \$967,971 |
| Next 1,500 | 341,264 | 0 | 341,264 | | \$1.2998 | \$0.4504 | \$0.0796 | \$1.8298 | \$624,445 |
| Next 7,500 | 765,235 | 0 | 765,235 | | \$0.9285 | \$0.3279 | \$0.0796 | \$1.3360 | \$1,022,354 |
| Next 16,500 | 358,839 | 0 | 358,839 | | \$0.5571 | \$0.2114 | \$0.0796 | \$0.8481 | \$304,331 |
| Next 33,000 | 20,824 | 0 | 20,824 | | \$0.1857 | \$0.1141 | \$0.0796 | \$0.3794 | \$7,901 |
| Over 60,000 | 11,418 | 0 | 11,418 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$909 |
| DTs - Winter | 1,883,441 | 0 | 1,883,441 | | | | | | |
| First 1,500 | 489,429 | 0 | 489,429 | | \$1.1141 | \$0.6294 | \$0.0796 | \$1.8231 | \$892,278 |
| Next 1,500 | 383,378 | 0 | 383,378 | | \$0.7428 | \$0.4946 | \$0.0796 | \$1.3170 | \$504,909 |
| Next 7,500 | 740,695 | 0 | 740,695 | | \$0.5571 | \$0.3823 | \$0.0796 | \$0.9990 | \$739,954 |
| Next 16,500 | 35,790 | 0 | 35,790 | | \$0.3714 | \$0.3125 | \$0.0796 | \$0.7635 | \$27,326 |
| Next 33,000 | (126,394) | 0 | (126,394) | | \$0.1857 | \$0.2516 | \$0.0796 | \$0.5169 | (\$65,333) |
| Over 60,000 | 0 | 0 | 0 | | \$0.0000 | \$0.0000 | \$0.0796 | \$0.0796 | \$0 |
| DTs - Summer | 1,522,898 | 0 | 1,522,898 | | | | | | |
| TOTAL INDUSTRIAL | | | | | | | | | |
| Bills | 1,395 | | | 1,395 | | | | | |
| Demand | 114,464 | | | 114,464 | | | | | |
| DTs | 5,761,546 | 0 | 5,761,546 | | | | | | \$15,306,105 |
| Outdoor Gaslight Service - Rate 205 | | | | | | | | | |
| Fixtures | 36 | 0 | 36 | | \$ 15.00 | | | \$ 15.00 | \$540 |
| DTs - Winter | 16 | 0 | 16 | | | | | | |
| DTs - Summer | 22 | 0 | 22 | | | | | | |
| Annual Revenues From Special Contracts | | | | | | | | \$ | 2,481,514 |
| TOTAL ALL RATE SCHEDULES | | | | | | | | | |
| TOTAL BILLS | 1,601,158 | | | 1,601,158 | | | | | |
| TOTAL WINTER DTs | 11,254,628 | 565,423 | 11,820,051 | | | | | | |
| TOTAL SUMMER DTs | 5,713,830 | 523,313 | 6,237,143 | | | | | | |
| ANNUAL TOTAL DTs | 16,968,458 | 1,088,736 | 18,057,194 | | | | | REVENUE \$ | 154,744,849 |
| TOTAL SALES DTs | 12,174,963 | 1,088,736 | 13,263,699 | | | | | | |
| TRANSPORTATION DTs | 4,793,495 | 0 | 4,793,495 | | | | | | |
| ANNUAL TOTAL DTs | 16,968,458 | 1,088,736 | 18,057,194 | | | | | | |

* The rates convert 1.26 therms to 1 GGE.

SCHEDULE 10

Piedmont Natural Gas Company, Inc.
 Quarterly Rate Stabilization Filing
 12-Months Ending March 31, 2013

WNA Factors

| | Base Rate (\$/therms) | Demand (\$/therms) | Commodity (\$/therms) | "R" Value (\$/therms) | Heat Factor (therms/DDD) | Base Factor (therms/mo.) |
|---------------------|--------------------------|-----------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Residential | | | | | | |
| Value Rate - 201 | 0.94041 | 0.07984 | 0.45796 | 0.40261 | 0.17452 | 17.31899 |
| Standard Rate - 221 | 1.07883 | 0.21826 | 0.45796 | 0.40261 | 0.14884 | 4.03487 |
| Commercial | | | | | | |
| Rate 202 - Std | 0.99108 | 0.20677 | 0.45796 | 0.32635 | 0.60802 | 3.52548 |
| Rate 232 - Val | | | | | | |
| First 2,000 therms | 0.94805 | 0.16374 | 0.45796 | 0.32635 | 0.44659 | 421.42263 |
| Over 2,000 therms | 0.92790 | 0.14359 | 0.45796 | 0.32635 | 0.44659 | 421.42263 |
| Rate 252 - Std | 0.94066 | 0.15635 | 0.45796 | 0.32635 | 19.61863 | 343.29020 |
| Rate 262 - Val | | | | | | |
| first 5,000 therms | 0.89117 | 0.10686 | 0.45796 | 0.32635 | 6.15836 | 7280.85777 |
| over 5,000 therms | 0.86772 | 0.08341 | 0.45796 | 0.32635 | 6.15836 | 7280.85777 |

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached Notice is being served this date via email and UPS Overnight delivery upon:

Florence Belser
Nanette S. Edwards
Carey Stites
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
fbelser@regstaff.sc.gov
nsedwar@regstaff.sc.gov
cstites@restraff.sc.gov

And that one copy of the attached Notice is being served this date via email or U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
1508 Lady Street
Columbia, South Carolina 29201

David Carpenter
Vice President – Planning and Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
david.carpenter@piedmontng.com

Pia Powers
Manager, Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 17th day of June, 2013.

s/ James H. Jeffries IV
James H. Jeffries IV